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CANADIAN PETROFINA LIMITED

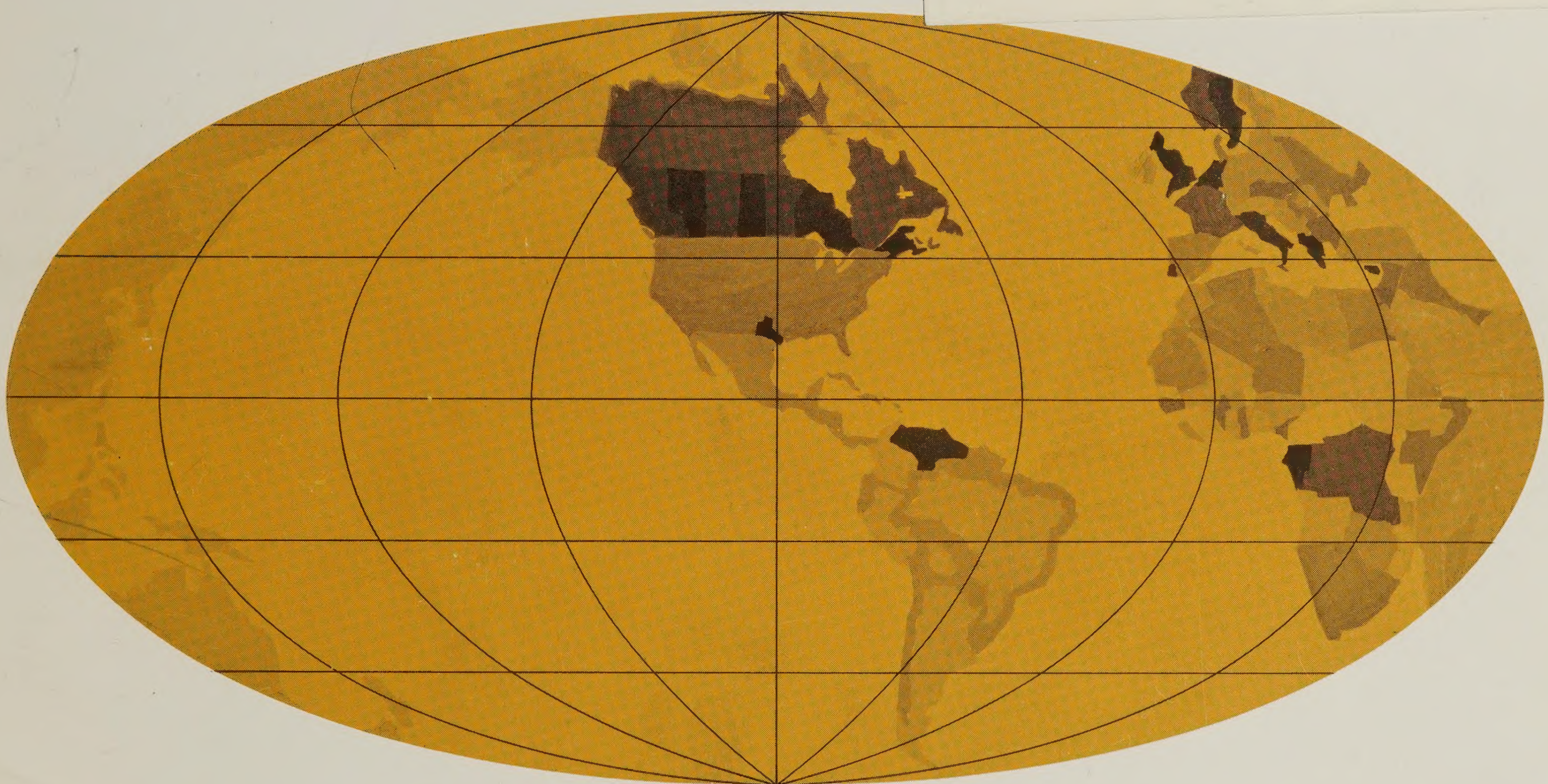
Twelfth Annual Report

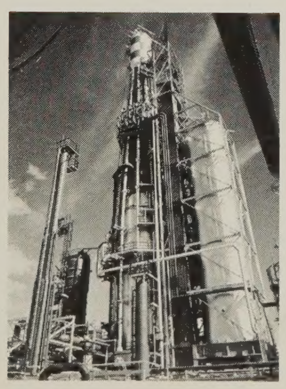
1965

LESLIE CHOYCE

DIRECTOR OF PUBLIC RELATIONS
CANADIAN PETROFINA LIMITED

1 PLACE VILLE MARIE
MONTREAL 2, P. Q.





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Twelfth Annual Report 1965

CANADIAN PETROFINA LIMITED

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K. S. C. MULHALL,
Vice-President and Treasurer

TRAJAN NITESCU,
Vice-President (Exploration and Production)

J. R. PATTON,
Vice-President (Refining)

A. W. McLEOD,
General Counsel and Secretary

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THE ROYAL BANK OF CANADA BUILDING,
1 PLACE VILLE MARIE,
MONTREAL 2, QUEBEC, CANADA.

AUDITORS

CLARKSON, GORDON & CO.

TRANSFER AGENT

MONTREAL TRUST COMPANY

REGISTRAR

THE ROYAL TRUST COMPANY

Ce Rapport a été publié en français et en anglais.
Si vous préférez un exemplaire français,
veuillez en faire la demande au —
Secrétaire, Canadian Petrofina Limited,
1 Place Ville Marie,
Montréal 2, Québec, Canada.

CANADIAN PETROFINA LIMITED

TO THE SHAREHOLDERS

Since this is a consolidated report in regard to your Company and its wholly-owned subsidiaries, actions or activities of one or more of those subsidiaries are usually referred to simply as actions or activities of the Company, which, in effect, they are.

The Canadian economy displayed substantial strength during 1965 with Gross National Product advancing by over 9% to exceed 51 billion dollars. In constant values, the rate of growth was about 6%.

The two principal contributing factors were, the investment sector, which increased by over 17% and, the consumer element, which rose by about 7%. One of the unsatisfactory economic developments in 1965 was the relatively large increase in price levels. The general wholesale index increased by 2% while the consumer price index rose by 3%. This latter increase was greater than in any previous year of the current expansion period. The buoyant economic conditions, accompanied by increased demand for goods and services, created new employment opportunities with the result that the average level of unemployment decreased, during the year, to below 4% of the total work force.

The petroleum industry continued to expand in 1965 as new record levels of production were reached. The production of crude oil and natural gas liquids rose by more than 7% to 915,000 barrels per day, while sales of natural gas increased by 11% to 2.75 billion cubic feet per day. The total demand for refined products rose by 7.5% to over 1,155,000 barrels per day. Most of this was accounted for by a 6% increase in the consumption of motor gasoline and an increase of 8% in the use of middle distillates. Sales of heavy fuel oil were greater by 16% reflecting, in part, the higher level of industrial activity throughout Canada. Refinery receipts of crude oil increased by over 3% to 972,000 barrels per day, while imports of finished products rose to over 160,000 barrels per day.

With respect to 1966, no slackening in the pace of business activity is anticipated.

One of the problems facing the Canadian economy in 1966 relates to production capacity. For a number of years, the country has had unused capacity and relatively high rates of unemployment. However, as the business expansion has continued at an uninterrupted rate from 1961 through 1965, the economy has moved closer to the limit of industrial capacity. Concurrently, unemployment has ceased to be a major concern. The serious problem in 1966 will, therefore, be to increase economic expansion at a moderate rate without creating inflationary pressures. If these are not prevented, an erosion in real values will occur, leading, among other things, to a deterioration in Canada's competitive position in world markets.

The petroleum industry should continue to expand in 1966 in order to supply the growing energy needs of the nation.

As a result of additions to refinery capacity in Eastern Canada, there should be a decline in the volume of product imports during 1966.

In 1965, your Company's increase in sales of finished products kept pace with the industry averages, the total improvement over 1964 being 7.1%. That increase was fairly evenly distributed among all products except heating oils where the improvement was substantial. More stable prices for gasoline in the latter part of the year resulted in greater earnings from the sale of finished products.

In the production and exploration segment of our business, there were no spectacular developments so far as new discoveries of crude oil and natural gas were concerned. Nevertheless, your Company's total reserves of crude oil, natural gas liquids and natural gas remained virtually unchanged despite the production of over 4,600,000 barrels of hydrocarbon liquids and 21.6 billion cubic feet of gas.

The Company plans to devote a greater portion of its available funds to increased exploration and production activities through its wholly-owned subsidiary, Canadian Fina Oil Limited. Particulars of this program are given later in this report.

From the financial standpoint, further progress was made in 1965. Consolidated net profits increased by over 20% to $8,549,000 and the total cash generated from operations reached a new high of $17,550,000.

During the year, one of our Directors, Mr. Jansen Noyes of New York, retired from the Board. His advice and counsel with respect to the Company's affairs will be greatly missed. In his place, the Board of Directors welcomed his son, Mr. Blancke Noyes.

The affairs of your Company and of its wholly-owned subsidiaries are handled by over 1,300 employees. It is only through their loyal and effective efforts that continued profitable growth can be achieved. The high standard of their performance and devotion to their responsibilities are appreciated by your Directors.

EXPLORATION AND PRODUCTION

A substantial part of the Company's operations involves exploration and production activities in Western Canada. The production of crude oil, natural gas liquids and natural gas makes a major contribution to the Company's total profit and the present worth value of our reserves is well in excess of the figure at which they are carried on our books.

During 1965, more than the normal amount of money was invested in increased drilling, the acquisition of additional acreage and the purchase of crude oil reserves in the Mitsue area of Alberta.

We participated in the drilling of 84 wells, of which 33 were completed as oil wells and 11 as gas wells and, we hold varying interests in approximately 5.8 million acres of mineral rights. During 1965, we acquired at Crown auctions 6 permits covering 370,000 acres. In order to portray the extent of our holdings, there is included in this report a map of the Western Provinces indicating the principal acreage.

With respect to the Mitsue area, where the Company participated in a significant oil discovery in 1964, we purchased the 50% leasehold interest of one of our associates in a 5 section block. The whole property is now developed and its 10 wells were producing 630 barrels a day at the year end.

To the north-west of this area, but on a continuation of the Gilwood Sand trend, the industry discovered, early in 1965, another oil accumulation known as Utikuma-Nipisi. Your Company holds a one-third interest in about 27,800 acres in the vicinity of this discovery. In late December of 1965, two wells were drilled by our group and commercial oil production was achieved. In order to speed up the development of those portions of our property which may be found to lie within the field limits, a 4 rig drilling program was undertaken. By the end of February 1966 casing had been run in 8 wells. Two wells were abandoned and three rigs were drilling.

Difficult muskeg conditions limit drilling in these areas to the winter season. However, once development has taken place, existing pipeline connections enable year round production.

Completion of our expanded sulphur and related plant facilities at Whitecourt, Alberta, was effected during the year. Also, we participated in the drilling of a new deep D-3 reef wet gas discovery in the same area. A ¾ mile step-out which has just been drilled, unfortunately found salt-water, but additional drilling is still necessary.

One of the other new areas of interest is at Rainbow Lake in north-west Alberta. While we do not hold land in the heart of this area, an active exploration program is warranted on our acreage which is in the general area. This program is now under way.

A great deal of attention has been focused on the Athabasca Oil Sands where the Company holds a 35% interest in 50,000 acres. During 1966 and following years, we plan to commence spending substantial amounts on an experimental project to determine the possibility of removing crude oil from the Oil Sands by the application of heat. Since your Company is the operator of the property, we will be responsible for those field activities. This will be the first active field work we have undertaken for some years in this area and we hope to resolve some of the technical and economic uncertainties.

The Company's 1965 production, before royalty, was approximately the same as the previous year: 4,614,000 barrels of crude oil and natural gas liquids and 21.6 billion cubic feet of gas. While we derived some advantage from improved operating and development economies, under the new Alberta production and proration plans, we continue to be adversely affected by market demand limitations. For that reason, the output of our oil properties was severely restricted.

13,000 bbls
59,000,000
21

Sulphur prices have improved substantially since early 1965 and, increased profits will be made from sulphur sales for at least the next year or two. Our 71,500 long tons of production represented a notable 32% increase over the previous year.

12,999
365) 4,614,000

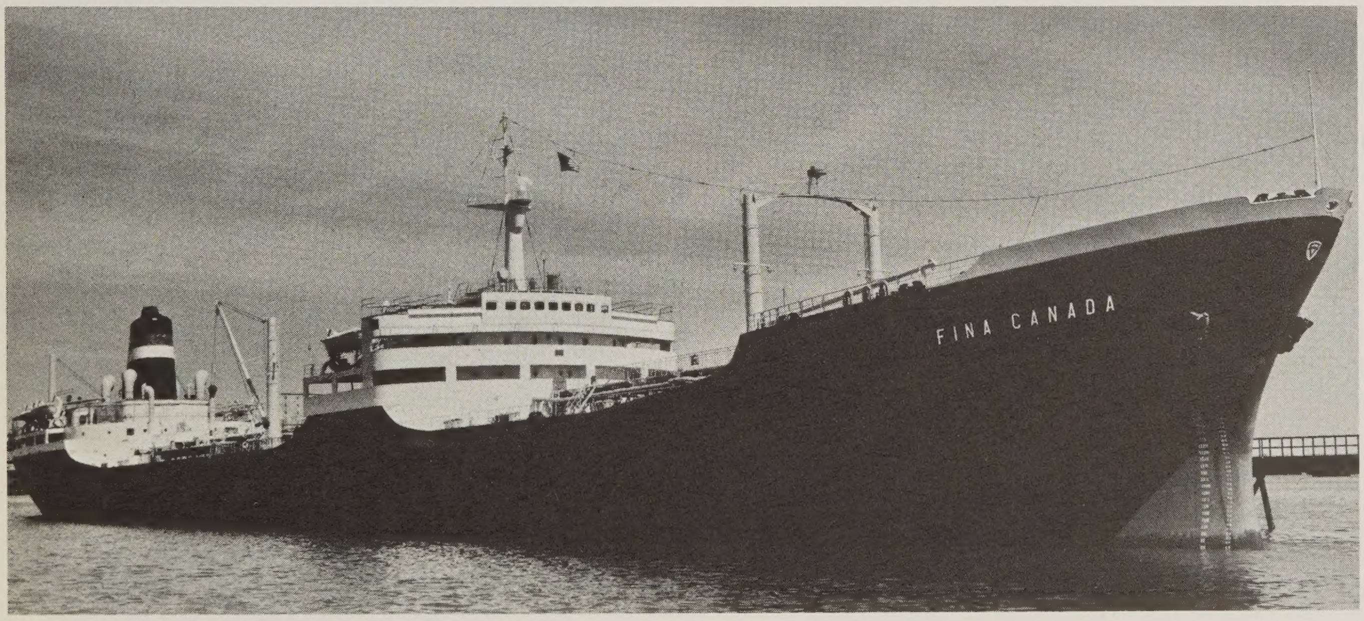
59,000,000
365) 21,600,000,000

SUPPLY AND DISTRIBUTION

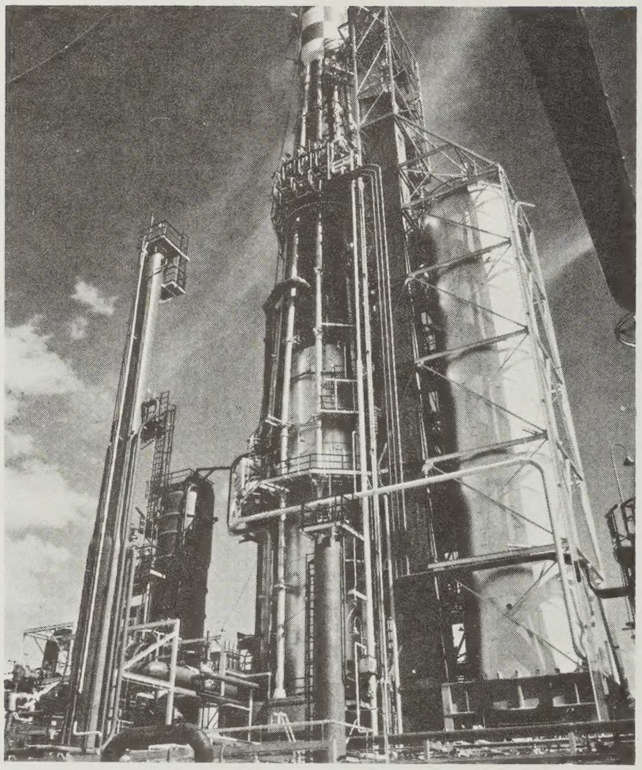
During the year, 12,275,683 barrels of crude oil were delivered to the refinery at Pointe-aux-Trembles for processing. That amount represented an increase of 3.5% over 1964. The total volume of products distributed during the year was in excess of 470,000,000 gallons.

The Portland-Montreal Pipeline, in which your Company holds a 10% interest, completed a new 24-inch pipeline in November 1965. This brings the total pipeline capacity to 360,000 barrels per day. The transportation facilities used by your Company for the movement of crude oil to Portland harbour during 1965 included two ocean tankers of 32,000 ton capacity each. It is expected to use 60,000 ton tankers in 1966 which will result in a substantial reduction in freight costs.

For the domestic distribution of products, 244 railway tank cars and a fleet of trucks were used. The streamlining of delivery schedules and the re-alignment of our transportation units resulted in a reduction of 10.4% in distribution costs per gallon in 1965.



MANUFACTURING

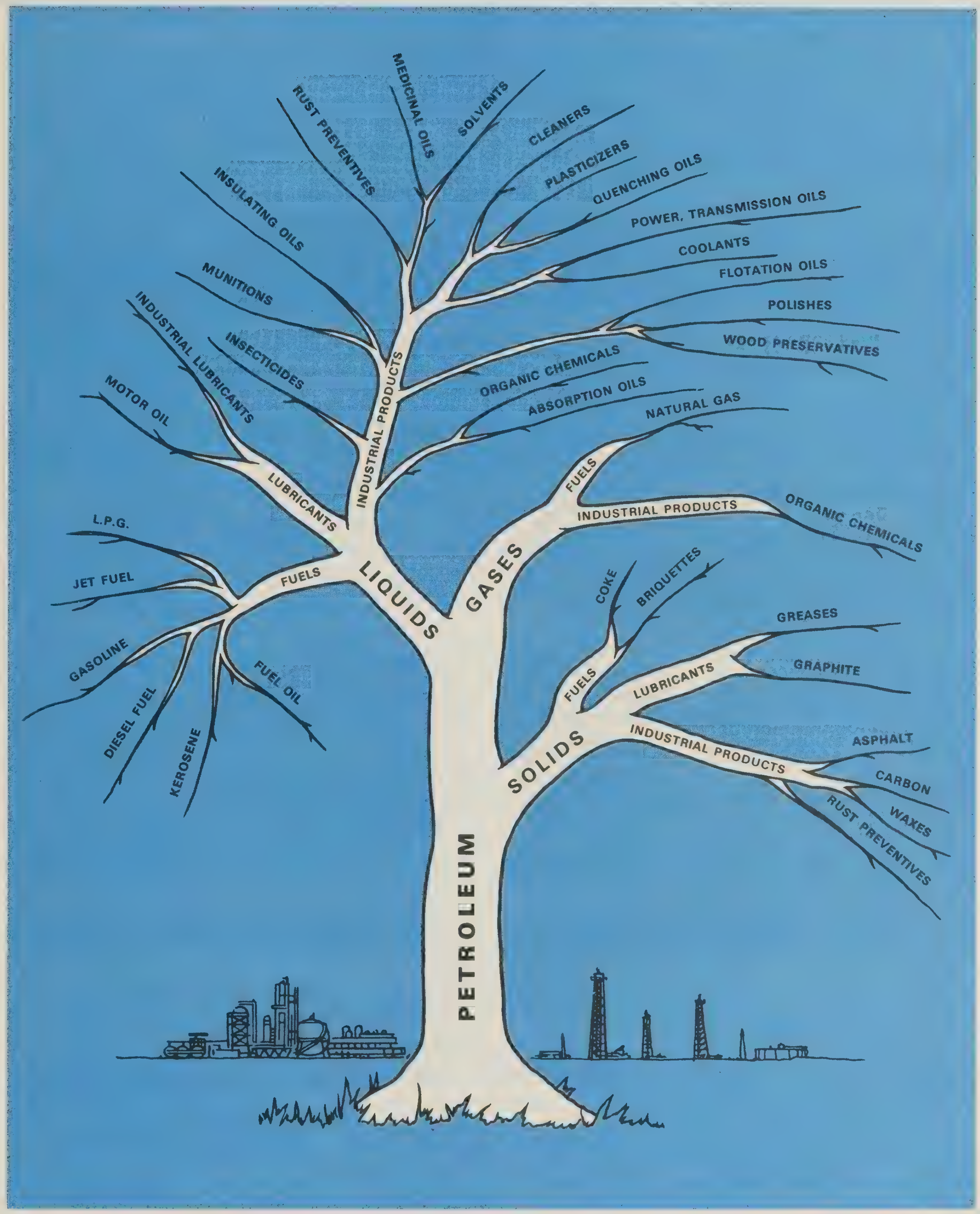


The chemical process involved in changing crude oil into about 3,000 different commercial derivatives is one with which the general public may not be familiar. The hydrocarbon molecules of crude oil are changed in chemical form, by the application of heat, pressure and the utilization of catalysts, into a wide variety of basic products. These in turn form the stock from which such divergent manufactured items as plastic products, synthetic fibres and textiles, as well as high octane gasolines and many chemical intermediates, are produced.

Your Company's refinery produces 66 varieties of petroleum products and, during the past few years, we have diversified our refining activities in order to produce more profitable by-products. Among those new products are Polyisobutylene, Vanadium Pentoxide and solvents. It is our intention to continue this diversification within the limits of our financial resources.

During 1965, the crude oil processed through the refinery at Pointe-aux-Trembles exceeded 1,000,000 barrels per month for the first time in our history. This constituted an increase of 4% over the figure for 1964. The greater refinery throughput, coupled with a reduction in other expenses and a lower catalyst attrition rate, resulted in a decrease in refinery operating expenses of about 7% per barrel compared with 1964.

The refinery at Pointe-aux-Trembles reached its maximum level of operating efficiency in 1965 and, in order to avoid the necessity of importing substantial quantities of No. 2 fuel oil, it became necessary to commence an expansion program which will raise refinery capacity from 30,000 to 50,000 barrels per day. It is expected that the enlarged unit will be operative by mid 1966.



Courtesy Ethyl Corporation

MARKETING

Fina branded petroleum products as well as tires, batteries and accessories are retailed through approximately 1,800 company identified outlets in Eastern Canada. In addition to commercial, industrial and domestic consumers, your Company supplies Federal, Provincial and Municipal Governments with a variety of products that range from aviation gasoline to asphalt. Several of the world's major airlines are supplied with jet fuel manufactured by your Company.

During the past year, the volume of products sold increased by 7.1% over the previous period. The major portion of this improvement occurred in the three important areas of gasoline, middle distillates and lubricants. In late 1965, some stability occurred at the retail price level for gasolines, although prices continued to be subjected to pressure as a result of finished products being imported.

In 1965, the Company engaged in a major advertising campaign relating to its new "Executive Tire", a hand-crafted premium tire of exceptional beauty and quality. The acceptance by the public has been most gratifying.

The number of retail outlets operated by your Company has not changed materially during the past few years. Those which have been constructed are more in the nature of major automotive retail centres rather than the traditional corner service station. Several of these were built during 1965 and the results to date have been encouraging. Your Company plans to continue this practice on a selective basis rather than just increasing the number of conventional retail outlets.

FINANCIAL REVIEW

The financial results for 1965 were better than in any year since the Company's inception.

Consolidated profits, after all charges, amounted to $8,549,000 which was equal to 86.4¢ per share. This compares with $7,076,000 or 71.9¢ per share in 1964.

The cash generated from operations also reached a new high and amounted to $17,550,000 or $1.77 per share. In 1964, the comparable figures were $16,157,000 and $1.64 per share.

The following table indicates the sources from which cash was derived and the manner in which those funds were disbursed.

SOURCE AND APPLICATION OF FUNDS — 1965

Sources of Funds	
Net income	$ 8,549,464
Net income applicable to minority interests	22,500
Depreciation, depletion and amortization	8,977,658
Total cash generated from operations	17,549,622
Net increase in long term debt	2,442,791
Repayment of mortgages and other advances	1,270,390
Sale of fixed assets	1,201,006
Sale of shares	633,000
Total funds available	$23,096,809
Application of Funds	
Investments in fixed assets (exploration, production, refining and marketing)	$15,722,772
Dividends paid to the shareholders	5,920,912
Payments to minority interests	22,500
Net increase in working capital	1,430,625
	$23,096,809

During 1965, the Company changed its practice of paying annual dividends and paid them on a half-yearly basis. Dividends of 30¢ per share were paid on March the 15th and September the 15th.

Despite increased capital expenditures and the payment of dividends, adequate working capital and a satisfactory cash position were preserved.

Submitted on behalf of the Board,

A. Campo

President.

March 4, 1966.

CANADIAN PETROFINA LIMITED AND SUBSIDIARIES

(Incorporated under the laws of Canada)

Consolidated Balance Sheet

(with comparative figures at December 31, 1964)

ASSETS

	1965	1964
CURRENT:		
Cash	$ 4,445,683	$ 3,289,439
Marketable securities — at cost which approximates market	28,364	60,257
Accounts receivable, less allowance for doubtful accounts	34,644,066	24,455,627
Due from affiliated companies	43,903	1,211,187
Inventories — at the lower of cost or market —		
Oil products and other merchandise (note 1)	19,605,501	17,931,192
Materials and supplies	1,602,706	1,324,859
Prepaid expenses	1,079,091	909,427
Total current assets	61,449,314	49,181,988
INVESTMENTS AND ADVANCES — at cost:		
Investment in affiliated company	1,969,250	1,969,250
Investments in other companies	2,664,382	2,634,402
Exploration, development and production deposits	214,757	320,880
Mortgages and other advances (note 4)	13,885,477	15,146,424
	18,733,866	20,070,956
PROPERTIES, PLANT AND EQUIPMENT:		
Producing, refining and marketing facilities, at cost	209,477,796	195,487,982
Less accumulated depreciation, depletion and amortization	77,123,542	68,790,725
	132,354,254	126,697,257
DEFERRED CHARGES:		
Unamortized debt discount and expense	113,643	131,586
Other	1,157,391	1,252,337
	1,271,034	1,383,923
PREMIUM PAID ON ACQUISITION OF SUBSIDIARIES	6,540,685	6,473,985
	$220,349,153	$203,808,109

On behalf of the Board:

L. WOLTERS, *Director*

A. F. CAMPO, *Director*

LIABILITIES AND CAPITAL

	1965	1964
CURRENT:		
Accounts payable and accrued charges	$ 16,414,070	$ 18,392,728
Due to affiliated companies	8,918,010	1,313,530
Due to parent company	16,100,767	5,893,964
Notes and bills payable	3,194,790	9,665,332
Current maturities of long-term debt	5,020,985	3,546,367
Total current liabilities	49,648,622	38,811,921
ADVANCES BY PARENT COMPANY (U.S. $5,000,000) not due within one year	4,823,440	4,823,440
LONG-TERM DEBT (note 2)	34,377,618	31,934,827
MINORITY INTERESTS	500,946	500,946
Total liabilities	89,350,626	76,071,134
CAPITAL STOCK AND SURPLUS (note 3):		
Common shares of $10 par value:		
Authorized — 12,000,000 shares		
Issued 1965 — 9,898,424 shares	98,984,240	
1964 — 9,835,424 shares		98,354,240
Capital surplus	15,474,517	15,471,517
Earned surplus — per accompanying statement	16,539,770	13,911,218
	130,998,527	127,736,975
COMMITMENTS AND CONTINGENCIES (note 4)		
	$220,349,153	$203,808,109

AUDITORS' REPORT

To the Shareholders of Canadian Petrofina Limited:

We have examined the consolidated balance sheet of Canadian Petrofina Limited and subsidiaries as at December 31, 1965 and the related consolidated statement of profit and loss and earned surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying consolidated balance sheet and consolidated statement of profit and loss and earned surplus present fairly the financial position of Canadian Petrofina Limited and subsidiaries as at December 31, 1965 and the results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Montreal, Canada,
February 22, 1966.

Clarkson, Gordon & Co.
Chartered Accountants.

Consolidated Statement of Profit and Loss and Earned Surplus

FOR THE YEAR ENDED DECEMBER 31, 1965
(with comparative figures for the year ended December 31, 1964)

	1965	1964
Gross income:		
Operating income	$140,636,072	$136,466,158
Interest and other income	2,708,460	2,688,712
	143,344,532	139,154,870
Operating charges:		
Costs, operating, selling and general expenses	121,960,706	119,484,210
Taxes other than income taxes	2,058,631	1,900,234
Depreciation and amortization	5,438,735	5,705,615
Depletion	3,431,037	3,243,897
	132,889,109	130,333,956
	10,455,423	8,820,914
Interest and discount on long-term debt	1,844,197	1,715,906
Income before taxes on income and minority interests	8,611,226	7,105,008
Taxes on income	39,262	6,344
Net income applicable to minority interests	22,500	22,500
	61,762	28,844
Net income for the year (note 1)	8,549,464	7,076,164
Earned surplus at beginning of year	13,911,218	12,728,268
	22,460,682	19,804,432
Dividends:		
Preferred	—	4,693,214
Common	5,920,912	1,200,000
	5,920,912	5,893,214
Earned surplus at end of year	$ 16,539,770	$ 13,911,218

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Notes to Consolidated Financial Statements

DECEMBER 31, 1965

1. ACCOUNTING POLICIES

The full-cost method of accounting for costs related to the exploration for and the development of oil and gas reserves is followed. Under this method all such costs are capitalized and are depleted on the composite unit of production method based on the estimated reserves of oil, gas and other saleable products. For income tax purposes these costs, to the extent they are allowable deductions, are claimed in the year in which they are incurred or as soon thereafter as possible.

Effective January 1, 1965 the rate of depreciation applied to refinery equipment was reduced as a result of a revision in the estimated useful life of the equipment. Had this change not been made, net income for the year would have been less by $700,000.

Cost of inventories of oil products has been determined on the basis of the last-in, first-out method, consistent with the preceding year.

2. LONG-TERM DEBT

Canadian Petrofina Limited:		
Secured:		
6 % Loan due by 1972	$ 925,000	
4½% Loan due 1966 (U.S. $500,000)	538,906	
Other	291,184	$ 1,755,090
Unsecured:		
4% Sinking fund debentures, series A, due 1972 (issued $25,000,000 less converted into common shares prior to expiry of conversion rights on May 1, 1965, or redeemed — $15,496,000)	9,504,000	
5¾% Loan due by 1972	5,000,000	
5 % Loan due by 1967 (U.S. $4,250,000)	4,592,657	
5¾% Loan due 1966	736,320	
5½% Loan due 1966	200,000	20,032,977
		21,788,067
Subsidiaries:		
Secured:		
5¾% Debentures due $1,000,000 annually and the balance in 1972	8,500,000	
6 % Loans repayable $615,000 in 1966 and the balance by 1972	3,447,797	
6¾% First mortgage repayable in monthly instalments to 1981	2,165,932	
3¾-4½% Sinking fund bonds, $660,000 due 1966 and the balance by 1974	910,000	
4 % First mortgage due by 1968	450,000	
Other	211,807	$15,685,536
Unsecured:		
5¾% Loan due by 1967	1,000,000	
6 % Loan due by 1972	925,000	1,925,000
		17,610,536
		39,398,603
Less instalments included in current liabilities		5,020,985
		$34,377,618

Under the terms of the trust deed securing the 4% Sinking Fund Debentures, Series A, no cash dividends may be paid on any shares of the capital stock of the Company, if after payment of such a dividend, the consolidated net current assets would be reduced to less than 25% of the principal amount of all Series A Debentures outstanding at the time of payment of such dividend.

3. CAPITAL STOCK

During the year, options on 48,000 common shares were taken up at an aggregate price of $483,000 of which $3,000, being the excess over the par value of the shares, has been credited to capital surplus, and 15,000 common shares were issued at $10 per share in part payment of amounts due in connection with the acquisition of a subsidiary.

The company has reserved 117,950 common shares for issuance under a stock option plan. As at December 31, 1965, the balance of shares not taken up under existing options is 87,050 shares (including 26,500 shares optioned to directors and officers of the Company), particulars being as follows:

No. of shares	Price per share	Exercisable	No. of shares	Price per share	Exercisable
34,050	$10.00	To July 31, 1969	600	$12.625	To January 31, 1972
12,500	10.46	From Nov. 26, 1966 to Nov. 25, 1975	3,500	12.625	To January 31, 1974
22,000	11.02	From. Aug. 6 1966 to Aug. 5, 1975	4,000	13.61	From Feb. 5, 1966 to Feb. 4, 1975
5,900	12.00	To October 31, 1971	4,500	14.00	To February 29, 1972

4. COMMITMENTS AND CONTINGENCIES

Annual rents on long-term leases expiring more than three years after the balance sheet date amount to approximately $3,600,000.

Included in mortgages and other advances is an advance of $4,737,885 to an associated company, the bank loan of which, amounting to $925,000 at December 31, 1965, is guaranteed by the Company. This associated company, which commenced operations in 1962 incurred losses in the course of developing its business. There is no reason to believe that the losses so incurred will not be fully recovered from future earnings.

The Company has also guaranteed loans of other associated companies aggregating $2,850,000 at December 31, 1965.

The federal tax authorities have issued notices of re-assessment for the years 1960 and 1961 indicating material disagreement with the basis followed by the Company of computing taxable income. In the opinion of the Company's legal advisors the re-assessments are unfounded in law. Due to the availability of capital cost allowances, no additional taxes would be payable for the years 1960 to 1965 inclusive if the basis of computing taxable income, applied by the authorities to the years 1960 and 1961, were applied to each of those six years.

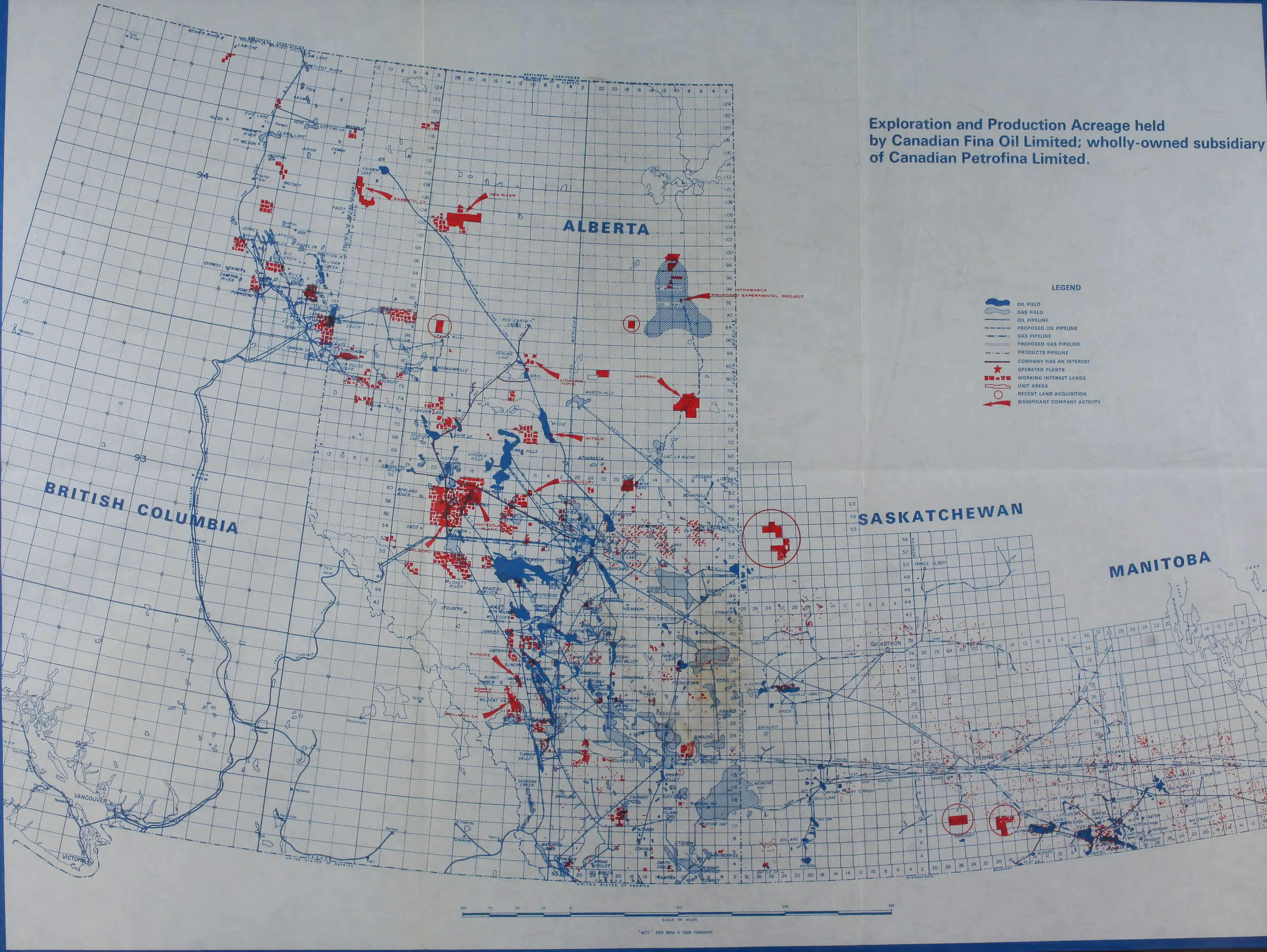
5. DIRECTORS' REMUNERATION

Remuneration paid to directors of the Company during 1965 as directors and officers of the companies totalled $185,758.

Ten-Year Review of Operations

	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956
STATISTICAL										
Crude oil and natural gas liquids production (before royalty) for the year (thousands of barrels)	4,614	4,578	4,393	4,306	3,306	2,934	2,666	2,403	3,253	4,151
Natural gas sales (before royalty) for the year (millions of cubic feet)	21,631	22,179	20,320	19,186	6,500	3,399	2,297	1,627	526	63
Number of net oil wells in which Canadian Petrofina Limited held an interest	311	306	290	276	265	256	201	191	172	157
Number of net gas wells in which Canadian Petrofina Limited held an interest	65	65	63	62	60	43	34	29	24	23
Gross acreage (thousands of acres)	5,800	5,600	5,400	5,800	6,180	5,300	5,040	4,945	5,445	5,500
Crude oil run to refinery stills for the year (thousands of barrels)	12,168	11,702	11,559	10,552	10,461	9,720	9,181	7,705	6,518	5,402
Retail outlets served	1,783	1,783	1,768	1,751	1,711	1,679	1,591	1,569	1,538	1,500
Number of employees	1,352	1,262	1,116	1,146	1,092	856	979	958	1,053	925
FINANCIAL IN THOUSANDS OF DOLLARS										
Gross income for the year	143,345	139,155	131,388	84,551	67,677	61,556	59,863	54,295	53,831	49,819
Net earnings after taxes	8,549	7,076	6,973	6,706	5,517	1,031	1,376	665	1,998	2,160
Minority interest in net profits	23	23	23	23	23	65	79	66	108	172
Depreciation, depletion and amortization (excluding amortization of excess cost)	7,678	7,721	7,238	7,014	6,047	5,609	5,335	4,923	4,397	4,002
Amortization of excess cost over book value of subsidiaries' producing properties	1,192	1,229	953	1,476	1,069	909	904	805	1,127	1,211
Amortization of patents and other costs	108	108	106	108	106	97	96	92	59	70
Total cash generated	17,550	16,157	16,399	16,519	14,069	8,740	8,466	7,271	8,209	7,963
Working capital	11,801	10,370	10,153	12,993	11,251	11,262	11,551	8,378	8,649	5,572
Total assets	220,349	203,808	201,761	185,818	182,938	174,124	150,848	158,148	153,770	150,267
Long-term debt	34,378	31,935	27,910	27,808	30,699	30,352	24,579	25,662	26,536	30,928
Book value of shareholders' equity	130,999	127,737	126,266	125,038	122,981	117,399	103,047	101,442	100,049	93,626

Exploration and Production Acreage held by Canadian Fina Oil Limited; wholly-owned subsidiary of Canadian Petrofina Limited.



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